*Chapter 14.—Powers of Sanction.

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Classification of Charges.

224. Service payments on Government account are divided, so far as regards the sanction necessary to support them, into two main classes, Imperial and Provincial, the particulars of the division varying in the different provinces.

NOTE.—Schedules A and B of Annexure to Audit Resolution II of the Book of Financial Powers show the division of the General Revenue and Expenditure of Government between Imperial and Provincial.

Powers of Sanction to Expenditure.

225. All the most important general rules on the subject of the financial powers in respect of Imperial and Provincial expenditure, exercised by the Secretary of State, the Government of India, the local Governments and other authorities, are contained in the Book of Financial Powers.

226. Orders of the Government of India and other authorities making specific delegations of powers to lower authorities under these rules, are incorporated in the manuals of the Accountants General concerned.

Write-off of Losses.

227. (*a*) A provincial Government has power to write-off finally the irrecoverable value of stores or public money lost by fraud or the negligence of the individuals or other causes, but must report such losses to the Government of India when the loss exceeds ₹10,000 and falls upon ~~Imperial~~ revenues. It may also delegate to Heads of Departments or other subordinate authorities the power to write-off losses under this rule: provided that (1) the amount of the write-off in any individual case shall not exceed such maximum limit or limits, not higher than ₹1,000, as the Provincial Government may prescribe for each such subordinate authority, and (2) the loss does not disclose (*i*) a defect of system the amendment of which requires the orders of higher authority or (*ii*) serious negligence on the part of some individual officer or officers which might possibly call for disciplinary action requiring the orders of higher authority.

(*b*) A Department of the Government of India has power to write-off finally the irrecoverable value of stores or public money lost by fraud, etc., up to a maximum limit of ₹10,000 in any individual case. It may also delegate to Minor local Governments and Heads of Departments or

No. 42.

Article 224—

Substitute the following for this Article and the Note thereunder :—

"**224**. Service payments on Government account are divided into three classes—central, provincial, reserved and provincial transferred. The Devolution Rules and Schedules attached thereto show how this division is made."

(C. A. C., I., 8th Edition, Reforms List, No. 42—1-4-21.)

No. 43.

Article 225—

Substitute 'Central' *for* 'Imperial' *in line 2 and for* 'Book of Financial Powers' *at the end substitute* 'Devolution Rules, the rules regulating the power to sanction expenditure on provincial reserved and on central subjects and other orders of competent authority.'

(C. A. C., I., 8th Edition, Reforms List, No. 43—1-4-21.)

No. 223.

Page 94, Article 224 (as amended by correction No. 42, dated 1st April 1921), Line 2—

Delete the comma after the word "provincial"

[C. A. C. Vol. I, 8th Edn., No. 223, dated 1st April 1923.]

No. 44.

Article 227—

(*a*) *Substitute* 'Central' *for* 'Imperial' *in line 5. Insert after* 'provided that' *in line 7* 'if the loss falls on central revenues.'

(*C. A. C., I., 8th Edition, Reforms List, No. 44—1-4-21.*)

No. 224.

Page 94, Articles 225, 226. Reconstruct these articles as under :—

225. All the most important general rules on the subject of financial powers in respect of expenditure from Central Revenues, exercised by the Secretary of State, the Government of India, the Provincial Governments acting as agents of the Central Government, the minor local Governments, the Departments of Government of India and other authorities are contained in the Book of Financial Powers issued by the Government of India, and the delegations made under these rules to lower authorities are incorporated in the Manuals of the Accountants General concerned.

226. Cancelled.

[C. A. C., Vol I., 8th Edn., No. 224, dated 1st April 1923.]

No. 225.

Page 94, Article 227 (a)—

Line 1. After the words " Provincial Government " *insert* " acting as an agent of the Central Government ".

Lines 4 and 5. Delete the words " and falls upon central revenues ".

Line 7. Delete the words " if the loss falls on central revenues " *as inserted by Reforms list of Correction No. 44, dated 1st April 1921.*

[C. A. C., Vol. I, 8th Edn., No. 225, dated 1st April 1923.]

No. 350.

Page 94, Article 227 (a)—

For the words "A Provincial Government" in line 1 of the Article as corrected by correction slip No. 225, dated 1st April 1923 *substitute* the words "The Finance Department of a Provincial Government."

(C. A. C., Vol. I, No. 350, dated 1st December 1924.)

No. 287.

Page 95, Note at end of Article 227, as revised by Correction No. 262, dated 1st September 1923—

Substitute the following for this Note :—

"NOTE.—This Article applies also to losses of revenue and irrecoverable advances, but Provincial Governments acting as agents of the Central Government are not authorised to write off advances made from Central Revenues and all cases of write-off of such advances, whether irrecoverable or not, should be submitted to the Government of India for sanction. Remissions of irrecoverable advances to cultivators are governed by Article 151."

[C. A. C. I., 8th Edn., No. 287, dated 1-12-23.]

No. 262.

Page 95, Note at the end of Article 227 as revised by Correction No. 249, dated 1st July 1923—

Insert the following for this Note :—

NOTE.—This Article applies also to losses of Revenue, but not to irrecoverable advances made from Central Revenues. All cases of writes-off of advances made from Central Revenues, whether irrecoverable or not, should be submitted to the Government of India for sanction.

[C. A. C. I., 8th Edition, No. 262, dated 1st August 1923.]

No. 104.

Page 95, Article 228—

Insert the following as Rule 1 to this article :—

"1. A Department of the Government of India may exercise the power of remitting disallowances made by Audit Officers, if—

(1) the amount disallowed has been drawn by the Government servant concerned under a reasonable belief that he was entitled to it.

(2) In the case of disallowances made within six months of the date of payment—

(*i*) the overdrawal has not the effect of raising the emoluments of the Government servant so as to increase his pay beyond Rs. 12,000 in any year, and

(*ii*) the overdrawal has not been occasioned by delay in notifying a promotion or reversion ".

[C. A. C., Vol. I, 8th Edn., No. 104, dated 15th October 1922.]

No. 45.

Article 228—

Cancel this Article, together with the heading above it and the notes thereunder.

(*C. A. C., I., 8th Edition, Reforms List, No. 45 –1-4-21.*)

No. 87.

Article 228, cancelled by Reforms List, dated 1st April 1921—

Insert Article 228 as under :—

228. The Governor General in Council or a local Government may waive the recovery of an amount placed under objection; but it is open to the Auditor General or an Accountant General to require that the action taken in any case shall be reported, as soon as possible, to the Committee on Public Accounts.

(C. A. C., Vol. I, 8th Edn., No. 87, dated 1st January 1922.)

No. 139.

Page 95, Article 228, Rule 1—

Insert the following after the words "A department of the Government of India" :—

", or a Provincial Government acting as the Agent of the Governor-General in Council,"

[C. A. C. I, 8th Edition, No. 139, dated 2-1-1923.]

No. 147.

Page 95, Article 228, Rule 1—

(1) *For* the first three lines of this rule as corrected by the correction slip No. 139, dated 2nd January 1923, *substitute* the following :—

1. A Department of the Government of India.

2. A Provincial Government acting as the Agent of the Governor General in Council.

3. The Chief Commissioner and Agent to the Governor General, North-West Frontier Province.

4. The Chief Commissioner and Agent to the Governor General, Baluchistan.

"1. The authorities noted in the margin may exercise the power of remitting disallowances made by Audit officers if ——."

(*ii*) *Insert the following as a sub-paragraph under this rule* :—

" These powers may also be exercised by the officers noted below provided that the yearly pay limit referred to in clause 2 (*i*) above does not exceed Rs. 1,500 in any individual case :—

The Chief Commissioner of Coorg and Resident at Mysore.

The Chief Commissioner of Ajmer-Merwara and Agent to the Governor General in Rajputana.

The Agent to the Governor General in Central India.

The Political Resident in the Persian Gulf.

[C. A. C., Vol. I, 8th Edn., No. 147, dated 1st April 1923.]

No. 249.

Page 95—

Reconstruct the Note at the end of Article 227 as follows :—

" NOTE.—This Article applies also to irrecoverable advances and losses of revenue."

[C. A. C., Vol. I, 8th Edn., No. 249, dated 1st July 1923.]

No. 226.

Page 95, Article 228 as introduced by correction No. 87, dated 1st January 1922.

Substitute " Provincial Government " *for* " local Government ".

[C. A. C., Vol. I, 8th Edn., No. 226, dated 1st April 1923.]

No. 355.

Page 95. Article 228, Rule 1, as corrected by correction slip No. 147, dated 1st April 1923.

Add the following to the list of officers below the sub-paragraph under this Rule :—

"The Agent to the Governor General in the States of Western India."

[C. A. C., I, 8th Edition, No. 355, dated 2nd January 1925.]

No. 358.

Page 95, Article 228, as introduced by correction No. 87, dated 1st January 1922—

Delete the words "or a local Government" *in line 1 and cancel correction slip No. 226, dated 1st April 1923—*

C. A. C., I., 8th Edition, No. 358, dated 2nd February 1925.]

No. 348.

Page 95, Chapter 14, Article 227 (b)—

Insert the following as Note 2 under this Article numbering the existing note as Note 1 :—

"NOTE 2.—Subject to the provisos mentioned in clause (*a*) of this Article, the powers of a head of a department under clause (*b*) have been delegated to the Central Board of Revenue to write off finally the irrecoverable value of stores or public money lost by fraud, etc."

(C. A. C., Vol. I, No. 348, dated 1st December 1924.)

No. 351.

Page 95, Article 228, Rule 1 as corrected by correction slip No. 147, dated 1st April 1923—

For the words "A Provincial Government" *against* item No. 2 of the authorities noted in the margin *substitute* the words "The Finance Department of a Provincial Government."

(C. A. C., Vol. I, No. 351, dated 1st December 1924.)

No. 301.

Page 95, Article 227—

Insert the following as Exception to clause (b) of this Article:—

"*Exception.*—The Chief Commissioners, Baluchistan and North-West Frontier Province, exercise the powers of a provincial Government as defined in clause (*a*) of this Article".

[C. A. C., I, 8th Edn., No. 301, dated 2nd January 1924.]

No. 375.

Page 95. Article 227.

Insert the following as clause (c) under this Article re-lettering the existing clause (c) as "(d)" :—

"(c) Officers of the Income-tax Department have power to write off irrecoverable balances of income-tax demands as shown below :—

1. Commissioners of Income-tax	Unlimited powers.
2. Assistant Commissioner of Income-tax, Bombay City.	Ditto.
3. Assistant Commissioners of Income-tax (except the Assistant Commissioner of Income-tax, Bombay City).	Power to write off sums not exceeding Rs. 250 in each case.
4. Senior Income-tax officer, Bombay City.	Ditto.
5. Income-tax Officers (except Senior Income-tax Officer, Bombay City).	Power to write off sums not exceeding Rs. 50 in each case if empowered to do so by the Commissioner of Income-tax.

NOTE.—The above mentioned powers of the Commissioners of Income-tax in regard to the write off of irrecoverable demands of income-tax, are not shared by the Central Board of Revenue of the Government of India."

[C. A. C., Vol. I, No. 375, dated 1st May 1925.]

No. 354.

Page 95. Article 227—

Number the Note at the end of Article 227 as revised by correction slip No. 303, dated 1st February 1924, as Note 1 and insert the following as Note 2 :—

"NOTE 2.—Provincial Governments may re-delegate to heads of Departments and Commissioners of divisions the power to write off advances made from Central revenues subject to a limit of Rs. 100 and the conditions specified in clause (*a*)."

[C. A. C., I, 8th Edition, No. 354, dated 2nd January 1925.]

No. 381.

Page 95, Article 228.

Insert the following as a sub-paragraph of rule 1 :—

'When a disallowance is remitted under this rule the reasons therefor should invariably be recorded by the remitting authority."

[C. A. C., Vol. I, 8th Edn., No. 381, dated 1-6-25.]

No. 380.

Page 95, Article 228.

In rule 1, clause (2) of this article, as introduced by correction No. 104, dated 15th October 1922, and amended by correction No. 147, dated 1st April 1923, make the following correction:—

For "six months" *read* "one year."

[C. A. C., Vol. I, 8th Edn., No. 380, dated 1-6-25.]

other subordinate authorities the power to write-off losses under this rule subject to the provisos mentioned in clause (*a*) of this article.

NOTE.—This rule does not apply to the Army and Railway Departments of the Government of India whose powers in this matter are regulated by separate orders.

(*c*) All sanctions to writes-off under this article should be communicated to the Accountant General who will scrutinise in each case and bring to notice any defect of system which appears to require attention.

NOTE.—This article applies also to irrecoverable advances.

Remission of Disallowances.

228. Provincial Governments and Departments of the Government of India have power of remitting, in the case of officers serving under them and without reference to the Government of India in the Finance Department, all disallowances by Audit Officers so far as they affect payments made more than six months before the date when they were challenged, provided they consider the amount to have been drawn by the officer, under a reasonable belief on his part that he was entitled to it. In the case of disallowances of payments made within six months from the date of payment they have similar powers to sanction remissions on the following conditions:—

(1) That the amount challenged was drawn by the officer under reasonable belief on his part that he was entitled to it.

(2) That the amount challenged was not an overdrawal occasioned by delay in notifying an officer's promotion or reversion.

(3) That the overdrawal does not evidence some defect in the system which should receive the notice of the Government of India.

(4) That the overdrawal has not—

(*a*) had the effect of raising an officer's emoluments in such a manner as to increase his salary beyond ₹9,600 per annum;

(*b*) involved other expenditure which under any specific rule requires the sanction of the Secretary of State.

The Audit Officer should bring to the notice of the Government of India cases in which he thinks that the intention of the rule is being misapplied.

In cases when the above conditions are not fulfilled the sanction of the Government of India in the Finance Department must be obtained which will be granted in the case of remissions challenged within six months, only when there are very strong reasons for making the concession.

NOTE 1.—Minor local Governments may exercise the power of a Provincial Government under this article except that the limit of salary for the purpose of condition 4 (*a*) is; in their case, ₹1,500 per annum only.

NOTE 2.—Local Governments and Departments of the Government of India may delegate their power under this article to Heads of Departments provided that (*i*) the limit of salary for the purpose of condition 4 (*a*) of the article shall not exceed ₹1,500 a year, and (*ii*) such power shall be exercised only in cases in which the Head of the Department has no immediate executive responsibility for the overdrawals, *e.g.*, it should not extend to members of his office establishment.

NOTE 3.—In the case of payments made in advance and subject to subsequent adjustment on production of final bills, documents or other information for the purpose of audit, the six months' limit dates from the submission of the final bill and not from the receipt of the advance.

Communication of Sanctions.

229. If an order sanctioning expenditure be sent to the Accountant General direct from a Department of Government other than the Financial Department and that department is not empowered to sanction the expenditure, the Accountant General will not refuse obedience, but will report to the Financial Department of the Government of India or of the Provincial Government, as the case may be, that such an order has been issued, and request that it may be communicated to him by the Financial Department in ordinary course.

230. Orders issued by Departments of the Government of India in the exercise of their own powers of sanction are issued direct to the Account Department without communication to the Finance Department.

Pensions and gratuities, however, are an exception; the orders granting them are sent to Finance Department for registration and despatch to the Accountant General except in the following cases:—

(*a*) Orders passed by the Foreign and Political and Revenue and Agricultural Departments, for the continuance of political pensions to the heirs of deceased pensioners or pensions in lieu of lapsed jagirs up to a limit of ₹5,000 a year, provided there is no departure from recognised rules of practice.

(*b*) Pensions and gratuities granted by the Public Works and Army Departments under Appendix I, Civil Service Regulations.

(*c*) Pensions of non-gazetted officers sanctioned by the officer having authority to fill up the appointment vacated by the retiring officer.

231. Sanctions accorded by Provincial Governments under Rules 10 (7), 10 (9) (*a*) and 10 (9) (*b*) of Annexure to Audit Resolution II in the Book of Financial Powers, other than those in which assignments of land revenue are treated as cash payments, should be communicated to the Audit Officer in a consolidated monthly return giving the following details:—

(*i*) When the sanction is given under Rule 10 (7) or clause (*b*) of Rule 10 (9), the value of the land or the amount of land revenue. The leases or contracts entered into under the Statutory Rules referred to in Rule 10 (7) should also be forwarded to the Audit Officer.

(*ii*) When the sanction is given under clause (*a*) of Rule 10 (9) a statement that the grants have been made under the ordinary revenue rules of the Province and involve no special concessions.

No. 289.

Page 96, Article 230, as amended by Reforms Correction No. 47, dated 1st April 1921—

Reconstruct this Article as under :—

230. (*a*) The powers of the Government of India which are not delegated to any Department of that Government, vest in the Finance Department of that Government, and orders issued under such powers are communicated to the Audit Department by the Finance Department. If an order sanctioning expenditure be sent to the Accountant-General direct from a Department of the Government of India, other than the Finance Department, and that Department is not empowered to sanction the expenditure, the Accountant-General will not refuse obedience but will report to the Finance Department of the Government of India that such an order has been issued and request that it may be communicated to him by the Finance Department in ordinary course.

(*b*) Orders issued by Departments of the Government of India in the exercise of their own powers of sanction are sent direct to the Audit Department without communication to the Finance Department.

(*c*) If any orders have been issued by any Department of the Government of India, with the concurrence of the Auditor-General, it will be mentioned in the endorsement to the Accountant-General that the orders have been issued with the concurrence of the Auditor-General.

[C. A. C. I., 8th Edn., No. 289, dated 1-12-23.]

No. 46.

Article 229—

Substitute the following for this Article :—

229. The Audit department is entitled to receive a copy of an order sanctioning expenditure from the authority which is competent to accord that sanction. If the authority is the local Government of a Governor's province whether such a sanction should be communicated through the Finance Department of the Government is to be determined by the rules of business of the local Government.

"NOTE.—The functions of the Finance Department in Governors' provinces are defined in the Devolution Rules"

(*C. A. C., I., 8th Edition, Reforms List, No. 46—1-4-21.*)

No. 47.

Article 230—

Substitute the following for this Article :—

230. The procedure for the communication to audit officers of sanctions accorded by the Governor General in Council or by any Department of the Government of India is set out in rule 11 of the rules framed under section 96-D (1) of the Government of India Act.

(*C. A. C., I., 8th Edition, Reforms List, No. 47—1-4-21.*)

No. 48.

Article 231—

Substitute the following for this Article:—

231. "Sanctions accorded by the Government of India and the Provincial Governments to grants of land and alienations of land revenue other than those in which assignments of land revenue are treated as cash payments should be communicated to the audit officer in a consolidated monthly return giving the details necessary for enabling the audit offices to audit the sanctions accorded."

(C. A. C., I., 8th Edition, Reforms List, No. 48—1-4-21.)

No. 227.

Page 97, Article 232—

For the words "or of a" *in line* 4, *substitute* "or a sanction relating to central subjects, of a".

[C. A. C., Vol. I, 8th Edn., No. 227, dated 1st April 1923.]

No. 49.

Articles 234 and 235—

Substitute the following for these Articles :—

234 (*a*) An excess over a grant voted by a legislature requires the vote of that legislature ;

(*b*) Re-appropriations within a grant voted by a legislature are regulated—

(1) in the case of provincial expenditure, by the provisions in the Devolution Rules and the delegations made thereunder, and

(2) in the case of central expenditure, by the rules made by the Governor General in Council.

235. In the case of non-voted expenditure the sanction required for excess over a grant provided in the Budget will, in the case of Governors' provinces, be determined by the provisions of the Devolution Rules ; while in the case of provincial expenditure in Burma and of central expenditure the powers of sanction will be determined by the orders of the authority fixing the grant.

(C. A. C., I., 8th Edition, Reforms List, No. 49—1-4-21.)

NOTE.—Sanctions accorded by the Government of India under Rules III (9), III (9A) (*a*), and III (9A) (*b*) of Audit Resolution I are communicated by them direct to the Audit officers concerned.

Date of Effect of Sanction.

232. Unless otherwise expressly ruled or unless the contrary appears from the context, a sanction of the Secretary of State takes effect from the date of receipt of the orders by the Government of India, and a sanction of the Government of India or of a local Government or other authority has effect from the date of the orders conveying the sanction.

Lapse of Sanction.

233. A sanction for any fresh charge which has not been acted on for a year must be held to have lapsed, unless it is specifically renewed.

NOTE.—This article does not apply to a case where an allowance sanctioned for an appointment or a class of officers has not been drawn by a particular incumbent of the appointment or a particular set of officers, nor does it apply to additions made gradually from year to year to a permanent establishment under a general scheme which has been sanctioned by proper authority.

Additional Grants and Reappropriations.

234. Applications for additional grants or reappropriations should be made and sanction of competent authority obtained before the close of the year. If expenditure not provided for in the estimates has to be incurred, the application for the additional grant or reappropriation required to meet it, should be made before the expenditure is incurred, unless the excess is trifling or could not be foreseen before the close of the year.

Excesses over Grants.

235. (*a*) All excesses not covered by reappropriation or additional grant will be reported to the Government of India through the Comptroller and Auditor General's Audit and Appropriation Report.

(*b*) All excesses over the aggregate Imperial and Provincial grant, respectively, under each major head, after taking into account additional grants and re-appropriations sanctioned before the close of the year will be separately exhibited in the Audit and Appropriation Report.

(*c*) Excesses over Provincial grant, provided the aggregate grant for Provincial expenditure has not been exceeded, and also excesses over Imperial grant under the heads mentioned in Rule 25 (2) of Annexure to the Provincial Audit Resolution II in the Book of Financial Powers, provided the total of the Imperial grants for all those heads has not been exceeded, may be sanctioned by the local Government. The orders of the local Government should be passed, and any necessary explanations offered, in time to permit the Comptroller and Auditor General to refer to them in his Audit and Appropriation Report which is due for issue on or about the 15th April of the second year succeeding that to which it relates.